



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Ordinance No. 1866 Entitled, "An Ordinance of the City Council of the City Lodi Authorizing an Amendment to the Contract Between the City Council of the City of Lodi and the Board of Administration of the California Public Employees' Retirement System"

**MEETING DATE:** November 21, 2012

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1866.

**BACKGROUND INFORMATION:** Ordinance No. 1866 entitled, "An Ordinance of the City Council of the City Lodi Authorizing an Amendment to the Contract Between the City Council of the City of Lodi and the Board of Administration of the California Public Employees' Retirement System," was introduced at the special City Council meeting of October 30, 2012.

**ADOPTION:** With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. ***Cal. Gov't Code § 36934.***

Ordinances take effect 30 days after their final passage. ***Cal. Gov't Code § 36937.***  
This ordinance has been approved as to form by the City Attorney.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None required.

Randi Johl  
City Clerk

RJ/jmr  
Attachment

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APPROVED:

Konrad Bartlam, City Manager

ORDINANCE NO. 1866

AN ORDINANCE ~~OF~~ THE CITY COUNCIL OF THE CITY LODI  
AUTHORIZING ~~AN~~ AMENDMENT TO THE CONTRACT  
BETWEEN THE CITY COUNCIL OF THE CITY OF LODI AND  
THE BOARD OF ADMINISTRATION OF THE CALIFORNIA  
PUBLIC EMPLOYEES: RETIREMENT SYSTEM

=====

THE CITY COUNCIL ~~OF~~ THE CITY ~~OF~~ LODI DOES ORDAIN AS FOLLOWS:


SECTION 1. That an amendment to the contract between the City Council of the City of Lodi and the Board of Administration, California Public Employees' Retirement System is hereby authorized: a copy of said amendment being attached hereto, marked Exhibit A, and by such reference made a part hereof as though therein set out in full.

SECTION 2. The Mayor of the City of Lodi is hereby authorized, empowered: and directed to execute said amendment for and on behalf of said Agency.


SECTION 3. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 4. This ordinance shall be published one time in the "Lodi News Sentinel", a daily newspaper of general circulation printed and published in the City of Lodi, and shall take effect thirty (30) days from and after its passage and approval.

Approved this **21<sup>st</sup>** day of November, 2012

  
\_\_\_\_\_  
JOANNE MOUNCE  
Mayor

ATTEST:

  
\_\_\_\_\_  
RANDI JOHL  
City Clerk

State of California  
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1866 was introduced at a special meeting of the City Council of the City of Lodi held October 30, 2012, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held November 21, 2012, by the following vote:

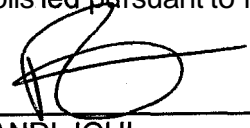
AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, Nakanishi,  
and Mayor Mounce

NOES: COUNCIL MEMBERS – None

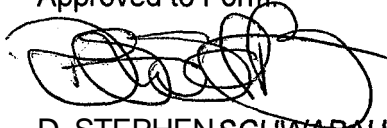
ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

I further certify that Ordinance No. 1866 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

  
\_\_\_\_\_  
RANDI JOHL  
City Clerk

Approved to Form:

  
D. STEPHEN SCHWABAUER  
City Attorney



## EXHIBIT

California  
Public Employees' Retirement System

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# AMENDMENT TO CONTRACT

Between the  
Board of Administration  
California Public Employees' Retirement System  
and the  
City Council  
City of Lodi

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The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective June 1, 1966, and witnessed April 27, 1966, and as amended effective July 6, 1966, May 1, 1970, July 1, 1973, July 1, 1977, April 1, 1991, July 7, 1993, June 30, 1996, November 15, 1998, June 12, 2000, May 17, 2003 and June 17, 2010 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 15 are hereby stricken from said contract as executed effective June 17, 2010, and hereby replaced by the following paragraphs numbered 1 through 16 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members and age 50 for local safety members entering membership in the safety classification on or prior to the effective date of this amendment to contract and age 55 for local safety members entering membership for the first time in the safety classification after the effective date of this amendment to contract.

2. Public Agency shall participate in the Public Employees' Retirement System from and after June 1, 1966 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except ~~such~~ as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
  - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
  - (b) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than existing retirement benefits, provisions or formulas.
  - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
  - (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.
  - (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.
  - (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.
  - (g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
  - a. Local Fire Fighters (herein referred to as local safety members):
  - b. Local Police Officers (herein referred to as local safety members);
  - c. Employees other than local safety members (herein referred to as local miscellaneous members).
5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
  - a. **PERSONS COMPENSATED ON AN HOURLY BASIS WHO ARE HIRED JUNE 1, 1966 OR THEREAFTER.**
6. Assets heretofore accumulated with respect to members in the local retirement system have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of the assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system has been credited to the individual membership account of each such employee under the Public Employees' Retirement System.
7. Benefits paid to pensioners and annuitants under the local system on the effective date of the contract were recalculated, as authorized by Section 20481 of the Government Code, to conform with benefits applicable to persons retiring after the effective date of the contract except that no benefit which would have been payable under the continuation of the local system shall be reduced.
8. The percentage of final compensation to be provided for each year of credited prior and current service for local miscellaneous members shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service prior to June 30, 1977, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member entering membership in the safety classification on or prior to the effective date of this amendment to contract shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).

10. The percentage of final compensation to be provided for each year of credited current service as a local safety member entering membership for the first time in the safety classification after the effective date of this amendment to contract shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
11. Public Agency elected and elects to **be** subject to the following optional provisions:
  - a. Section 21536 (Local System Service Credit Included in Basic Death Benefit).
  - b. Section 21222.1 (One-Time **5%** increase - 1970). Legislation repealed said Section effective January 1, 1980.
  - c. Sections 21624 and 21626 (Post-Retirement Survivor Allowance) for local miscellaneous members only.
  - d. Section 21573 {Third Level of 1959 Survivor Benefits}.
  - e. Section 21427 (Improved Nonindustrial Disability Allowance) for local miscellaneous members only.
  - f. Section 20042 (One-Year Final Compensation) for local safety members entering membership on or prior to the effective date of this amendment to contract.
  - g. Section 20903 (Two Years Additional Service Credit).
  - h. Section 20434 ("Local Fire Fighter" shall include any officer or employee of a fire department employed to perform firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation services as described in Government Code Section 20434).
  - i. Section 20965 (Credit for Unused Sick Leave).
  - j. Section 20938 (Limit Prior Service to Members Employed on Contract Date) for elected officials employed on November 15, 1998.
  - k. Section 21024 (Military Service Credit as Public Service).

- I. Section 20475 (Different Level of Benefits). Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local safety members entering membership for the first time in the safety classification after the effective date of this amendment to contract.
12. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on July 1, 1977. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
13. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
14. Public Agency shall also contribute to said Retirement System as follows:
  - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21573 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.
  - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
  - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
15. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.



16. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the \_\_\_\_\_ day of \_\_\_\_\_,

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL  
CITY OF LODI

BY \_\_\_\_\_  
KAREN DE FRANK, CHIEF  
CUSTOMER ACCOUNT SERVICES DIVISION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY \_\_\_\_\_  
PRESIDING OFFICER

\_\_\_\_\_  
Witness Date

Attest:

\_\_\_\_\_  
Clerk

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Employer Services Division  
Contract Maintenance Unit  
PO Box 942709  
Sacramento, CA 94229-2709

**CERTIFICATION OF COMPLIANCE WITH  
GOVERNMENT CODE SECTION 20903**

In accordance with Government Code Section 20903 and the contract between the Public Employees' Retirement System, the City Council of the City of Lodi hereby certifies that:

1. Because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency will be served by granting such additional service credit.
2. The added cost to the retirement fund for all eligible employees who retire during the designated window period will be included in the contracting agency's employer contribution rate for the fiscal year that begins two years after the end of the designated period.
3. It has elected to become subject to Section 20903 because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the job classification, department or organizational unit, as designated by the governing body, resulting from the curtailment of, or change in the manner of performing, its services.
4. Its intention at the time Section 20903 becomes operative is to keep all vacancies created by retirements under this section or at least one vacancy in any position in any department or other organizational unit permanently unfilled thereby resulting in an overall reduction in the work force of such department or organizational unit.

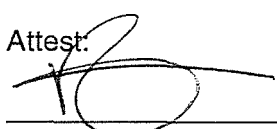
THEREFORE, the City Council of the City of Lodi hereby elects to provide the benefits of Government Code Section 20903 to all eligible members who retire within the designated period, September 20, 2012 through March 17, 2013.

CITY COUNCIL  
OF THE  
CITY OF LODI

BY

  
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk

December 5, 2012

\_\_\_\_\_  
Date

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Employer Services Division  
Contract Maintenance Unit  
P.O. Box 942709  
Sacramento, CA 94229-2709

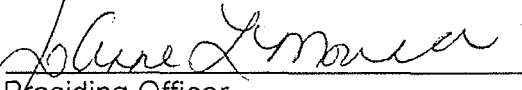
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4. Its intention at the time Section 20903 becomes operative is to keep all vacancies created by retirements under this section or at least one vacancy in any position in any department or other organizational unit permanently unfilled thereby resulting in an overall reduction in the work force of such department or organizational unit.

THEREFORE, the City Council of the City of Lodi hereby elects to provide the benefits of Government Code Section 20903 to all eligible members who retire within the designated period, September 19, 2012 through March 17, 2013

CITY COUNCIL  
OF THE  
CITY OF LODI

BY   
Presiding Officer

Attest:

  
Clerk/Secretary

**September 24, 2012**

                      
Date



P.O. Box 942715 Sacramento, CA 94229-2715  
888 CalPERS (or 888-225-7377) | Fax: (800)959-6545  
www.calpers.ca.gov

California Public Employees' Retirement System

Please submit this cover sheet along with the corresponding documents to the fax number listed above or mail to the following address:

P.O. Box 942715  
Sacramento, CA 94229-2715

Date: September 19, 2012

From: City of Lodi

**CalPERS ID:** 6448562990

**Document Type:** Memorandum of Understanding (MOU)

**Contract/Agreement Type:** Two Year Additional Service Credit

**Contract/Agreement Number:** 30044

